

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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New Jersey Carpenters Health Fund, *on Behalf of Itself* :
and all Others Similarly Situated, :
:
Plaintiff, : 08-CV-5310 (DAB)
: ECF Case
-against- :
:
NovaStar Mortgage, Inc., NovaStar Mortgage Funding :
Corporation, Scott F. Hartman, Gregory S. Metz, :
W. Lance Anderson, Mark Herpich, RBS Securities, Inc. :
f/k/a Greenwich Capital Markets, Inc., d/b/a RBS :
Greenwich Capital, Deutsche Bank Securities, Inc., :
Wells Fargo Advisors, LLC f/k/a Wachovia Securities :
LLC, :
:
Defendants. :

**SUGGESTION OF BANKRUPTCY AS TO
NOVASTAR MORTGAGE, INC. AND NOVASTAR MORTGAGE FUNDING
CORPORATION**

On July 20, 2016, NovaStar Mortgage, Inc. and NovaStar Mortgage Funding Corporation, defendants herein, filed Voluntary Petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Maryland, Case Nos. 16-19747 and 16-19748.¹

Pursuant to Section 362 of the United States Bankruptcy Code (11 U.S.C. § 362), the filing of a petition operates as an automatic stay of: (1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other proceeding against the debtor that was or could have been commenced before the

¹ Four chapter 11 cases, including the ones filed by NovaStar Mortgage, Inc. and NovaStar Mortgage Funding Corporation, were filed in the same court on July 20. On the same day, each debtor filed a motion for joint administration of the four cases, requesting, among other things, that all subsequent filings in the cases be filed under Case No. 16-19745.

commencement of the case or to recover a claim against the debtor that arose before the commencement of the case; (2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case; (3) any act to obtain possession of property of the estate or property from the bankruptcy estate; (4) any act to create, perfect or enforce any lien against property of the estate; (5) any act to create, perfect, or enforce, against property of the debtor, any lien to the extent that such lien secures a claim that arose before the commencement of the case; (6) any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case; (7) the setoff of any debts owing to the debtor that arose before the commencement of the case against any claim against the debtor; and (8) any other act or conduct prohibited by 11 U.S.C. § 362.

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